

GAS ACT 2000

NOTICE OF VARIATION No. 6

of the

DISTRIBUTION LICENCE (CONSTRUCTION)

granted on

13 MAY 2003

to

POWERCO TASMANIA PTY LTD

ACN 104 499 569

Background

In accordance with section 34(2)(a) of the *Gas Act 2000*, Powerco Tasmania Pty Ltd, by letter dated 23 July 2004, applied to the Director of Gas for variations of Powerco's gas distribution network construction licence issued on 13 May 2003 (the licence).

The application sought variations to include 'footprints' for the Stage 2 roll-out of the gas distribution network at Devonport, Burnie, Launceston and Hobart.

While these have come to the Director of Gas in a single set of documentation, they in fact propose variations to quite distinct geographic areas which are recognised as such within Schedule 3 to the licence. Accordingly they may, and ought to be considered separately on their merits.

The Director of Gas has advised the public generally of the application and sought submissions in relation to the applications. This has been done by way of newspaper advertisements and publication on the Office of the Tasmanian Energy Regulator website.

The consultation period specified in the advertisement has expired (on 27 August 2004) and no submissions were received.

The Director of Gas must consider whether to grant the licence variations and whether or not there ought to be conditions attached to the variations. Variations have already been approved in respect of Devonport and Burnie.

In this matter the Director of Gas deals only with those applications in respect of Hobart and Launceston.

The grant of a construction licence confers certain rights on Powerco to construct a gas pipeline so approved on public lands. The body which is responsible for those lands may impose conditions but may not refuse to allow construction. The conditions are appealable.

Hobart – Powerco has a Development Agreement (DA2) with the State in respect of five zones in the greater Hobart area. These do not include the central business district of Hobart nor the Port and Battery Point precincts.

Powerco has a construction licence for higher pressure gas mains into the five DA2 areas.

This proposal seeks authorisation for the development of the gas network across the entire greater Hobart area including the central business district, Port and Battery Point precincts and significant areas of Glenorchy, Kingborough, Brighton and Clarence. In part, this potential development will be incremental in the areas where mains are already authorised. However, in the other areas, particularly Clarence and Kingborough, where mains are not authorised, it would be expected that further mains development will be required before a low pressure system roll-out can occur.

Submissions on this matter were sought from the relevant councils. Hobart City Council has advised that it has no issue with the granting of the variation in the terms of the application. The Director of Gas is awaiting confirmation from the Clarence, Glenorchy, Kingborough and Brighton councils of their positions.

Launceston – Powerco has a Development Agreement (DA2) with the State in respect of three zones in the greater Launceston area but not including the central business district.

Powerco has a construction licence for a higher pressure gas main into the three DA2 areas.

This proposal seeks authorisation for the development of the gas network across the entire greater Launceston area including the central business district and significant areas of the West Tamar and Meander Valley municipal areas. For the most part, this development may fairly be characterised as incremental around already authorised mains. It is expected however, that development of the distribution systems to serve West Tamar and possibly the St Leonards – Ravenswood areas will require further mains development.

Submissions on this matter were sought from the relevant councils. Launceston City Council has advised that it has no issue with the granting of the variation in the terms of the application. The Director of Gas is awaiting confirmation from the West Tamar and Meander Valley councils of their positions.

Conclusion

In relation to the areas within the municipal boundaries of the City of Hobart and the City of Launceston, the Director of Gas is satisfied that the proposed variations are not inconsistent with the objects of the *Gas Act 2000* and will, or will be likely to, promote:

- the development of the gas supply industry;
- efficiency in that industry; and
- the interests of consumers of gas.

The Director of Gas will determine the application insofar as it relates to areas within the Glenorchy, Kingborough, Clarence, Brighton, West Tamar and Meander Valley municipal areas following receipt of confirmation of the councils' respective positions.

Decision

In exercise of the power conferred by section 34(1) of the *Gas Act 2000*, the decision of the Director of Gas is to vary the licence in accordance with the application, insofar as it relates to areas within the municipal boundaries of the cities of Hobart and Launceston.

Schedule 3 of the licence for the construction of a gas distribution network granted to Powerco Tasmania Pty Ltd on 13 May 2003 and amended on 8 July 2003, 28 January 2004, 3 March 2004, 21 July 2004, 13 August 2004 and 16 September 2004, is varied by:

1. substituting the page headed "Schedule 3 – Authorised Distribution Systems", and the following page, attached to this Notice, for the page headed "Schedule 3 – Authorised Distribution Systems", and the following page, attached to the licence;

2. substituting Plan Number 4 (Amended 2) attached to this Notice, for Plan Number 4 (Amended) attached to the licence;
3. substituting Plan Number 5 (Amended) attached to this Notice, for Plan Number 5 attached to the licence;

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Andrew John Reeves

Director of Gas

13 October 2004

Schedule 3 – Authorised Distribution Systems²

This licence authorises the construction of gas distribution systems in the locations specified in the table below as follows:

1. (a) steel mains with a maximum allowable operating pressure from 1050 kPa up to 5100 kPa; and
(b) steel or polyethylene mains with a maximum allowable operating pressure from 500 kPa up to 1050 kPa,
the proposed routes of which are shown in blue or black on the Plan the number of which appears, or on the Plans the numbers of which appear, in the table against the name of the location, together with associated fittings and equipment, PROVIDED THAT such mains, fittings and equipment may be constructed within a corridor 1 kilometre wide centred on the proposed route in each location; and
2. steel and polyethylene mains and service pipes with a maximum allowable operating pressure of up to 500 kPa, together with associated fittings and equipment, within the area delineated by coloured boundary lines on the Plan the number of which appears, or on the Plans the numbers of which appear, in the table against the name of the location PROVIDED THAT, in respect of the locations Hobart and Launceston, such mains, service pipes, fittings and equipment may only be constructed within the municipal boundaries of the cities of Hobart and Launceston respectively.

The Plans are attached to this licence.

² Schedule 3 amended:

8 July 2003 (Notice of Variation No. 1)

28 January 2004 (consolidation of a number of minor route variations involving substitution of plans and network diagrams but no alteration to the wording of the licence - no Notice of Variation issued)

3 March 2004 (Notice of Variation No. 2)

21 July 2004 (Notice of Variation No. 3)

13 August 2004 (Notice of Variation No. 4)

16 September 2004 (Notice of Variation No. 5)

13 October 2004 (Notice of Variation No. 6)

Location	Plan Number
Bell Bay	1
Burnie	2 (Amended)
Devonport	3 (Amended)
Hobart	4 (Amended 2)
Launceston	5 (Amended)
Longford	6 (Amended)
Ulverstone	7
Westbury	8
Wynyard	9 (Amended)